



U. S. Department
of Transportation

**Federal Aviation
Administration**

New York Airports District Office
600 Old Country Rd, Suite 446
Garden City, New York 11530
Telephone: 516-227-3800
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February 17, 2000

Dear Airport Sponsor/Airport Consultant:

RE: Independent Cost Estimates for A/E Proposals

We wish to pass along some important information regarding the requirement for independent cost estimates for Architectural/Engineering (A/E) proposals for aviation planning services and airport development projects.

Federal Aviation Administration Advisory Circular (AC) 150/5100-14C, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects, requires an independent cost estimate for A/E proposals when the fee is \$25,000 or more. In an effort to reduce administrative burden, speed up the selection process, and reduce the cost to airports, the general requirement for independent cost estimates is raised from \$25,000 or more to the following limits:

- \$50,000 or more for Lump Sum and/or Cost-Plus-Fixed-Fee type contracts involving aviation planning services and Engineering Design services for the design phase of a project.
- \$100,000 or more for Cost-Plus-Fixed-Payment type contracts involving Engineering Inspection services for the construction phase of a project.

This policy does not preclude the airport operator from obtaining an independent cost estimate for A/E proposals less than the above limits of \$50,000 and \$100,000. Additionally, it does not preclude the FAA from requiring independent cost estimates as deemed necessary on specific projects.

Accordingly, for A/E proposals under these limits, the airport sponsor, in lieu of an independent cost estimate, shall determine reasonableness of cost in accordance with the criteria in paragraph 2-9.b., Informal Procedures, in AC 150/5100-14C, and submit a statement to the FAA explaining the basis used to determine reasonableness of cost.

We wish to point out that these new limits apply to the requirement for independent cost estimates only, not for informal selection procedures for A/E agreements. This upper limit remains unchanged at \$25,000.

Please do not hesitate to contact your ADO project manager if you have any questions on this new policy.

Sincerely,

A handwritten signature in cursive script that reads "Philip Brito".

Philip Brito

Manager, New York Airports District Office